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651 to 2 leva per kg. of tobacco exported, while the amount of wages disbursed for the manipulation of tobacco was reckoned to reach an annual average of 559 million leva during the period 1919-1931, the number of workmen engaged in the manipulation of tobacco being 86,000. This however is a seasonable occupation and less than 20,000 workpeople are permanently engaged. The number of farmsteads mainly cultivating tobacco is reckoned at 127,000.

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000 In contrast with tobacco, which now forms the staple product of Bulgarian agriculture, and the main source of revenue, the cultivation of sugar-beet, in which some 100,000 farmsteads are mainly engaged, has caused, and is causing an important loss to the State. In Great Britain also the subsidising of the sugar industry has led to lively debates, and Sir Herbert Samuel, as recently as Feb. 5, 1935 appealed in the House of Commons that „this colossal, wasteful and scandalous expenditure should be brought to a speedy end“. In a world suffering from a collective attack of aberration, all its members more or less, show the same symptoms. It is not surprising therefore that even the levelheaded Bulgarians, endowed with no little common sense, should not have managed to keep themselves exempt from the universal malady.

257 Under the protection of a high import duty, amounting actually to 11 leva per kg., five sugar refineries were established in Bulgaria at a cost of 1,347,226,037 leva. Their united capacity of production is annually 63 million kg, but consumption a few years ago was only half this figure, and owing to the steadily diminishing buying power of the population, this has decreased to 21.6 million kg. in 1933, for the State imposes sugar also with excise, and a communal tax and the sale price of sugar is as 26 leva per kg., while the price of sugar on the world market is under 5/-per cwt, or 2 leva per kg. It was af-

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firmed by a deputy in the Sobranye on March 25 1932 that the five refineries which had formed a syndicate in order to keep up prices were making an annual profit of 320 million leva, another deputy, M. P. Denev, had asserted on Dec. 12 1931 that this attained 270 millions. That the profits made were inordinately high may be proved by the fact that the shareholders of the one at Gorna Orehovitsa received a dividend of 25% in 1926, and of 50% in 1927, on their invested capital. (These details were published in the bulletin of the Prague Credit Bank which holds most of these shares).

It may be easily seen that this large profit realised by these five sugar refineries could have been secured instead by the State if it imported sugar from abroad and proceeded to sell it at the prevailing price, and that the profit it would have realised would have been enough to permit the State to pay to the farmers for the whole production of beet necessary to manufacture 30 million kg. of sugar, without their engaging in its cultivation. (Namely 200 million kg. of beet at the rate of 600 leva per ton.) The profit derived by the State would also suffice to defray the whole wage bill of the workmen employed in the industry, namely about 40 million leva annually, as their number does not exceed 2000, and it would also be possible to provide out of it for a bonus of 10% on the capital invested in the factories, and yet leave a substantial balance. Protectionists would argue that such a policy would necessarily tend to increase imports, and create an adverse balance of payments to the extent of 60 million leva (30 million kg of sugar $\times$ 2 leva), but as matters stand, the capital invested in the sugar refineries being foreign, the profit the factories realise is remitted abroad, and as this exceeds very substantially the cost of the sugar which would have been imported, the country's balance of payments is adversely affected to a greater

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• 257 extent than it would have been by the importation of sugar. The financial experts of the League of Nations, who are supposed to watch over the economic welfare of Bulgaria might well have intervened on this question and relieved her of a burden equal to that of the reparations imposed on her, but as foreign interests are involved which have powerful backers among international financiers, nothing was ever mentioned about this dissipation of public money except occasionally by some deputies in the Sobranye. The existence of the industry is an incubus to the country, for not only does it cause a yearly loss of over a quarter of a milliard leva, but owing to the high cost of sugar it has militated against the creation of a fruit canning and jam industry. There is not the slightest doubt that if sugar were procurable at the price ruling on the world market Bulgarian fruit, such as apricots, peaches, plums, pears, cherries, strawberries, raspberries etc, which are as luscious and delectable as those grown in California, could be preserved and a large export industry built up. Under the prevailing system this is impossible, and only prunes, and strawberries in pulp, are exported, the former to Germany, and the latter to England, where they are converted into jam. It would be a sensible plan to reduce the protective duty by 75%; even then, the factories would be sufficiently protected against foreign sugar, all the more so, since the price of beet has been recently reduced from 600 to 400 leva per ton. The margin of profit would still remain more than adequate, and would be increased by an expansion in consumption which would inevitably result by lowering the price of this essential commodity. This is certainly capable of being trebled, which would then permit the factories to work full time, and produce more economically for the consumption of sugar has fallen as low as $3\frac{1}{2}$ kg. per head per annum, compared with 40.6 kg. in Great Britain

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and 23.8 kg. in France. which constitutes yet another sure sign of the pauperisation of Bulgaria, since in Greece and Yugoslavia the consumption of sugar is about three times as high as in Bulgaria. Another article which during recent years has achieved a record success, is the cultivation and export of dessert grapes which as to value are now classed third in the list of Bulgarian exports. Owing to the careful sorting and packing to which the grapes were subjected by government controllers and to their perfection they have been able to secure an easy preeminence on the Central European markets, and even in England.

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The variety chiefly exported resembles somewhat in appearance the Spanish grapes of Almeria, but is less sweet in taste, has a thinner skin, and the bunches are larger. The just appreciation which these grapes have achieved in Central Europe may be gauged by the rapid increase of the quantity exported, which from a mere 52 kg. in 1925, reached 21,223,030 kg. or 3740 truck loads of a value of 140 million leva in 1934. In 1932 some 92,094 hectares were devoted to viticulture, of which about 10% were table or dessert varieties, the remaining being chiefly cultivated for the production of wine, of which 142 million litres were produced in the same year¹. Recently several co-operative societies have installed modern wine presses and cellars, and are now producing wines according to the latest technique several standardised types of wine having been put on the market which are not below the average grades of those produced in France and Spain, even a variety of champagne wine being on sale. Hopes are entertained that eventually a market for wine will be found abroad, as local requirements are much below production. The con-

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¹ The production of grapes is computed at 400 million kg. of which 120 millions are consumed locally, about 20 millions are exported, and some 260 millions used for wine. In 1935 the quantity exported is expected to be as much as 30 million kg.